

FILE ONLYREPORT OF LONDON ARMS DEAL 'SAFE HOUSE'
LONDON

A retired U.S. Air Force general worked from a 'safe house' in London to arrange secret deals that supplied American weapons to Iran, the Sunday Times reported.

Another newspaper, the weekly Observer, reported Sunday that an Israeli arms dealer with offices in London supplied Iran with U.S. weapons for the last six years with apparent official sanction from Jerusalem.

'With the knowledge of the British government, London has become the center for the lucrative arms trade which keeps the Iranian war machine supplied,' the Observer said.

The Sunday Times, citing 'a Washington source intimately involved with the deal' said retired Air Force Gen. Richard Secord 'was part of a team brought to London at the end of last year.'

The 'safe house,' the Sunday Times said, was opened early this year and operated until November. It said Secord was brought to London 'to arrange weapons transfers to Iran by Lt. Col. Oliver North.'

North, military adviser to the National Security Council, was fired last week after a disclosure that money from the Iran deal was diverted to Contra rebels fighting in Nicaragua at a time when U.S. funding of the Contras was illegal.

A spokesman for Prime Minister Margaret Thatcher declined comment on the newspaper reports, but reiterated that U.S. arms sales to Iran were 'a matter for the United States.'

The Times said Secord met his team, including a former CIA station chief in Iran, at a 'safe house' in London's West End without the knowledge of the U.S. Embassy or British intelligence.

The Times said Britain was chosen as a 'convenient base' for the operation because of its central location between Iran, Israel and the United States and because of its good communications.

Many of the largest arms deals, the Observer said, were negotiated in London through Iranian military officers stationed at Iran's national oil company in the British capital.

The Times quoted its Washington source as saying because of a series of 'mishaps' in the transactions, President Reagan's national security adviser Robert McFarlane turned the whole project over to North shortly before McFarlane resigned last December.

'He simply wrapped all the dirty dishes inside the tablecloth and handed it to Ollie (North) and told him to sort it out,' the unidentified source told the Times.

The report said North set up a team including Secord; Noel Koch, then assistant secretary at the Pentagon responsible for special operations; George Cave, a former CIA station chief in Tehran, and Colin Powell, military assistant to U.S. Defense Secretary Caspar Weinberger.

But Weinberger 'was kept in the dark,' the Times report said.